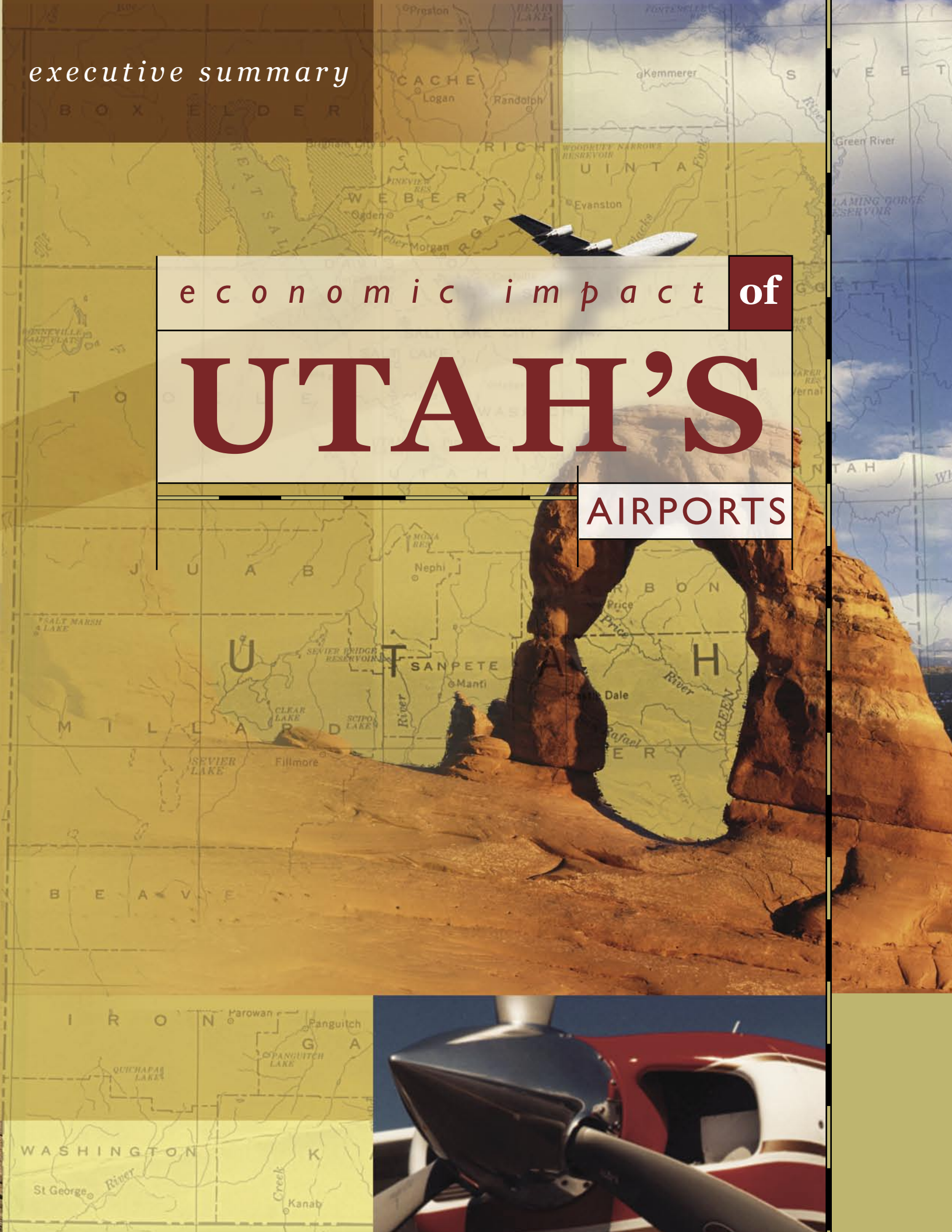


executive summary

e c o n o m i c i m p a c t of

UTAH'S

AIRPORTS





Utah's Airports

Everyone Benefits

The Utah system of public-use airports is an integral component of the state's overall transportation system, and is also an important stimulus for economic growth and development in Utah. The state airport system provides a safe and efficient method for the movement of people and goods, improving the quality of life of Utahans. The state's six commercial service airports, including Salt Lake City International, accommodate millions of passengers and generate billions of dollars in economic benefits. The 41 general aviation airports are also significant generators of business revenue and wages, creating thousands of jobs and producing millions of dollars of economic impact throughout Utah each year. Thousands of visitors arriving in Utah via general aviation aircraft each year support a variety of business activities such as lodging, dining, retail, and entertainment. Utah airports also serve as the base of operation for many types of businesses, including airlines, air cargo companies, fixed base operators, flight schools, government entities, restaurants, and many others.

Utah's Airports:

- **Are home to over 1,700 aircraft**
- **Accommodate more than 1.3 million takeoffs and landings**
- **Enplane over 18.6 million airline passengers**
- **Handle 476 million pounds of cargo**
- **Offer access to countless business travelers, tourists, and sporting enthusiasts**
- **Welcome more than three million visitors to the state**
- **Assist numerous police, fire, and paramedic operations**
- **Provide a wealth of public services**



Utah's Economic Engine

Utah is one of the fastest-growing states in the country. The growth in population, economic activity, and tourism in recent years has exceeded the national average by a significant amount. Indicators of Utah's recent growth include:

- Between 1990 and 2000, Utah's population grew by 2.9 percent annually, nearly twice the U.S. rate.
- Utah's Gross State Product grew by 7.5 percent each year between 1990 and 2002, much faster than the rate at which the nation's GDP grew.
- Per capita income grew faster than the national average between 1990 and 2000.
- Tourism to Utah has recently been boosted by the 2002 Winter Olympics in Salt Lake City, making the state an even more attractive destination to the world's travelers.

Aviation

Key to Economic Growth

There is no doubt that Utah's diversified system of commercial and general aviation airports has helped to bolster the state's dramatic growth. Airports in Utah are vital to supporting the state's economy. Recent surveys of airports and businesses throughout the state indicate that thousands of jobs are tied to the operation of Utah's airports. Through jobs provided, jobs supported, and efficiencies gained, nearly one of every 12 jobs in Utah benefits from – or is completely reliant upon – the daily operation of the state's public system of commercial and general aviation airports.

Airports not only support key facets of Utah's economy, but are important economic generators. To quantify the benefits that flow from Utah's airport system, the Utah Department of Transportation's Division of Aeronautics recently commissioned an Airport Economic Impact Study. The results of that study are summarized in this document.

Utah's Airport System Creates:

Over 106,350 Jobs

\$2.83 Billion in Payroll

\$5.68 Billion in Output



Methodology

In order to document the relationship between Utah's system of airports and the state's economy, this study followed a Federal Aviation Administration (FAA) approved methodology that has successfully quantified the value of airports and airport systems throughout the United States.

Airports create economic impacts in many ways. Airports throughout Utah accommodate a long list of aviation related businesses, including flight schools, commercial airlines, aircraft maintenance and repair shops, air cargo companies, ground transportation providers, concessionaires, and others. Local, state and/or federal entities also have on-airport employees who are charged with the day-to-day maintenance, operation and development of system airports.

Airports throughout Utah also support visitor-related travel. Each day, thousands of visitors come to Utah either on commercial airlines or on privately-owned general aviation aircraft. Once in the state, these visitors spend money on hotels, entertainment, shopping, ground transportation, food and other items. On-airport businesses and aviation related visitor spending are responsible for many annual economic benefits.

Through extensive survey efforts, direct economic benefits related to tenants and indirect benefits stemming from visitors were measured. As these first-round benefits are produced, additional multiplier benefits are created. For example, when an airport employee spends his salary on groceries, this spending re-circulates or multiplies until the benefits ultimately leak outside of the study area. Secondary benefits for this study were calculated using Utah-specific multipliers. In general, for every \$100 spent by aviation-related businesses in Utah, an additional multiplier benefit of nearly \$68 is created in supporting industries.

The economic contribution of each airport in the Utah airport system was measured in terms of employment, payroll, and output. The total economic impact is the sum of all direct, indirect, and multiplier impacts.



The Measurements

Employment measures the number of full-time equivalent (FTE) jobs related to airport activity. Two part-time employees are counted as one full-time equivalent job.

Payroll measures the total annual wages and benefits paid to all workers whose salaries are directly or indirectly attributable to airport activity.

Economic Activity or **Output** measures the value of goods and services related to aviation in Utah. The output of on-airport businesses is typically assumed to be the sum of annual gross sales and average annual capital expenditures.

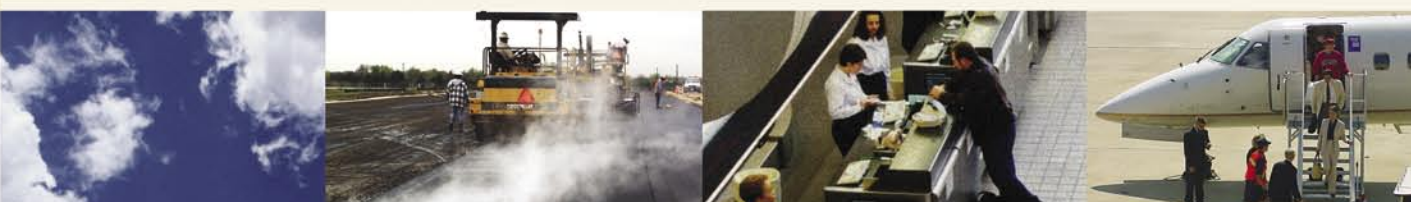
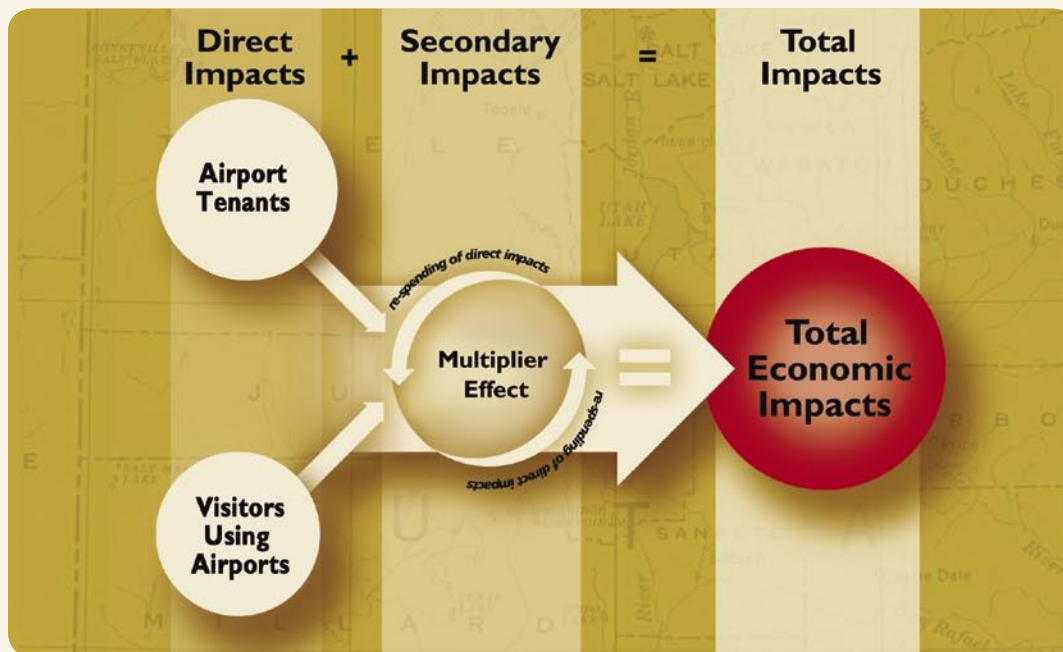
The Impacts

First-Round Impacts include both direct and indirect impacts. Direct impacts are those benefits associated with on-airport businesses and government tenants. Indirect impacts generally take place off-airport and are usually attributable to the spending of visitors who use aviation as a means of travel.

Secondary Impacts primarily consist of induced impacts, which result from the re-circulation and re-spending of direct and indirect impacts within the economy. This re-circulation is commonly referred to as the "multiplier effect."

Total impacts are the sum of all first-round and secondary impacts.

The Modeling Process





Economic Impact of Utah's Airports

When all factors are accounted for, aviation in Utah creates the following impacts:

General Aviation Airports

Employment: 3,673 jobs
Payroll: \$96.67 million
Output: \$274.28 million

Salt Lake City International Airport

Employment: 101,257 jobs
Payroll: \$2.70 billion
Output: \$5.34 billion

Utah's Smaller Commercial Service Airports

Employment: 1,425 jobs
Payroll: \$36.59 million
Output: \$64.88 million

Total Economic Impact of Aviation in Utah

Employment: 106,355 jobs
Payroll: \$2.83 billion
Output: \$5.68 billion




ASSOCIATED CITY	AIRPORT NAME	TOTAL EMPLOYMENT	TOTAL PAYROLL	TOTAL OUTPUT
Commercial Service Airports				
Bryce Canyon	Bryce Canyon	34.0	\$858,700	\$2,133,000
Cedar City	Cedar City Regional	336.5	\$9,711,200	\$22,848,600
Moab	Canyonlands Field	122.5	\$3,123,600	\$5,938,600
St. George	St. George Municipal	821.0	\$20,332,900	\$28,384,700
Salt Lake City	Salt Lake City International	101,257.0	\$2,698,746,100	\$5,344,762,400
Vernal	Vernal-Uintah County	111.0	\$2,629,400	\$5,576,200
Commercial Service Airports Total		102,682.0	\$2,735,401,900	\$5,409,643,500
General Aviation Airports				
Beaver	Beaver Municipal	5.0	\$122,000	\$204,200
Blanding	Blanding Municipal	133.0	\$3,313,700	\$12,521,100
Bluff	Bluff	0.5	\$17,400	\$158,200
Bountiful	Bountiful Skypark	258.5	\$6,383,000	\$15,419,600
Brigham City	Brigham City Municipal	91.0	\$2,417,700	\$8,889,000
Delta	Delta Municipal	12.5	\$294,000	\$769,900
Duchesne	Duchesne Municipal	4.0	\$70,500	\$481,600
Dutch John	Dutch John	1.5	\$34,900	\$116,600
Escalante	Escalante Municipal	4.0	\$98,400	\$306,700
Fillmore	Fillmore	6.0	\$125,900	\$237,400
Glen Canyon	Bullfrog Basin	22.5	\$557,700	\$794,800
Green River	Green River Municipal	20.5	\$485,900	\$1,183,400
Halls Crossing	Halls Crossing-Cal Black Memorial	11.5	\$259,900	\$812,200
Hanksville	Hanksville	3.5	\$81,000	\$200,400
Heber City	Heber City Municipal-Russ McDonald Field	112.0	\$2,520,000	\$8,237,300
Huntington	Huntington Municipal	13.5	\$284,700	\$1,951,600
Hurricane	Hurricane	46.0	\$939,600	\$2,736,900
Junction	Junction	1.0	\$28,700	\$107,800
Kanab	Kanab Municipal	37.5	\$912,400	\$6,623,200
Loa	Wayne Wonderland	5.5	\$124,000	\$421,700
Logan	Logan-Cache	226.0	\$5,704,900	\$16,100,800
Manila	Manila	2.0	\$46,200	\$150,900
Manti	Manti-Ephraim	4.0	\$98,400	\$1,057,700
Milford	Milford Municipal	13.0	\$306,000	\$595,100
Monticello	Monticello	16.0	\$393,600	\$696,500
Monument Valley	Monument Valley	8.5	\$168,100	\$250,400
Morgan	Morgan County	37.0	\$1,000,300	\$1,877,400
Mount Pleasant	Mount Pleasant	2.0	\$46,200	\$309,900
Nephi	Nephi Municipal	17.5	\$537,400	\$2,919,500
Ogden	Ogden-Hinckley	272.5	\$8,158,700	\$59,327,200
Panguitch	Panguitch Municipal	4.0	\$98,400	\$423,600
Parowan	Parowan	34.0	\$796,100	\$3,620,700
Price	Carbon County	49.5	\$1,217,900	\$3,976,100
Provo	Provo Municipal	494.0	\$11,751,300	\$28,496,400
Richfield	Richfield Municipal	35.5	\$967,600	\$3,501,400
Roosevelt	Roosevelt Municipal	14.5	\$320,400	\$1,003,600
Salina	Salina-Gunnison	4.0	\$98,400	\$165,700
Salt Lake City	Salt Lake City Municipal II	1,220.0	\$36,330,500	\$54,375,900
Spanish Fork	Spanish Fork-Springville	336.0	\$7,219,900	\$25,157,400
Tooele	Bolinder Field-Tooele Valley	49.0	\$1,169,900	\$4,807,900
Wendover	Wendover	44.0	\$1,169,200	\$3,293,100
General Aviation Airports Total		3,672.5	\$96,670,800	\$274,280,800
Total Impact of Aviation in Utah		106,355	\$2,832,072,700	\$5,683,924,300

Total employment is the combination of direct and secondary (multiplier effect) employment.

Total payroll is the combination of direct and secondary (multiplier effect) payroll.

Total output is the combination of direct and secondary (multiplier effect) output.



The spending that occurs as a result of general aviation activity, both on-airport and by visitors, creates the following economic impacts:

First Round

Employment* 5,345
Payroll \$159.80 million
Output \$472.44 million

Secondary

Employment* 3,912
Payroll \$100.33million
Output \$343.08 million

Total

Employment* 9,257
Payroll \$260.13 million
Output \$815.53 million

*Full-time equivalent employees

Economic Impact of General Aviation in Utah

General aviation activity can be found at each of Utah's 47 public-use airports. General aviation is defined as all aviation activity not related to scheduled airline or military operations. Corporate aviation and recreational flying are the most visible types of general aviation, but this category also includes such valuable activities as aerial firefighting, medical evacuation, search-and-rescue, agricultural spraying, and wildlife management. Every part of Utah's economy is reliant in some way on general aviation. Tenants at these airports – including aircraft maintenance shops, fuel providers, flight schools, corporate flight departments, government agencies, and the airport management itself – all provide jobs, pay wages, and produce goods and services.

Almost 1.1 million general aviation aircraft operations were recorded in Utah in 2003. These flights carried nearly 333,000 visitors using general aviation for business, recreation, and personal travel. These visitors contribute to Utah's economy by spending money on a variety of goods and services in the state.

Economic Impact of Military Aviation in Utah

Utah is home to a number of U.S. military facilities. Three of Utah's public-use airports – Salt Lake City International, Salt Lake City Municipal II, and Spanish Fork-Springville – house installations of various National Guard units. Many of the state's airports also accommodate transient military training aircraft and exercises. Employment, payroll, and output resulting from these military installations and activities are included in the general aviation data presented above.

Hill Air Force Base in Ogden is the most visible of Utah's military installations. The facility is home to the Air Logistics Center for the 388th Fighter Wing of the Air Combat Command, and the 419th Fighter Wing of the Air Force Reserves. While Hill AFB was not included in this study, recent estimates released by the Utah Legislature show that Hill employs over 22,000 personnel (military and civilian) and adds over \$2.1 billion annually to the state's economy.

Economic Impact of Commercial Service in Utah

The State of Utah has a network of six commercial service airports which provide residents with excellent access to the world's markets. These airports accommodate a wide variety of airlines, providing non-stop service to dozens of destinations and one- or two-stop access to hundreds more. In addition, air cargo operations benefit the state's economy by expediting shipments around the globe. Tenants at these airports – including airlines, air cargo companies, concessionaires, airline service providers, and government agencies – all provide jobs, pay wages, and produce goods and services.

More than 18.5 million passengers passed through Utah's commercial service airports in 2003. Of these passengers, over three million were visitors to the state, and nearly nine million connected to destinations throughout the country from Salt Lake City International. These visitors and connecting passengers contribute to Utah's economy through spending while in the state.

While Salt Lake City International is perhaps Utah's most visible airport, the state's five smaller commercial airports are no less important. Each of these airports offers connecting service to Salt Lake City (with the exception of Bryce Canyon), opening Utah's more remote areas to the nation's air travel system. St. George travelers have additional service to Los Angeles, and Bryce Canyon Airport accommodates a wide range of sightseeing and aerial tour flights.

Salt Lake City International Airport is a transportation hub on an enormous scale. The airport is Delta Air Lines' western U.S. hub, which with its regional partner SkyWest Airlines, offers hundreds of flights per day to dozens of domestic and international destinations. Nearly a dozen other airlines serve Salt Lake City International, including low-fare carriers. Indeed, most of Utah's travelers can reach the world's business and tourist destinations with only one or two layovers. The level of passenger traffic that the airport accommodates makes it the 25th busiest in the United States, and its freight handling capabilities make the airport the 30th largest cargo hub in the country, as well. Besides airlines, Salt Lake City International houses dozens of businesses and thousands of jobs, all of which work to make traveling to and from Utah a pleasure.

The spending that occurs as a result of commercial service activity at Utah's five smaller commercial airports, both on-airport and by visitors, creates the following economic impacts:

First Round

Employment*	673
Payroll	\$14.63 million
Output	\$18.47 million

Secondary

Employment*	314
Payroll	\$9.83 million
Output	\$13.76 million

Total

Employment*	986
Payroll	\$24.46 million
Output	\$32.23 million

Utah's Smaller Commercial Service Airports: Bryce Canyon, Cedar City Regional, Moab-Canyonlands Field, St. George Municipal and Vernal-Uintah County

The spending that occurs as a result of commercial service activity at Salt Lake City International, both on-airport and by visitors, creates the following economic impacts:

First Round

Employment*	64,940
Payroll	\$1.53 billion
Output	\$2.80 billion

Secondary

Employment*	31,172
Payroll	\$1.02 billion
Output	\$2.04 billion

Total

Employment*	96,112
Payroll	\$2.55 billion
Output	\$4.84 billion

*Full-time equivalent employees



Qualitative Benefits of Utah's Airports

In the addition to the monetary benefits presented previously, there are many qualitative benefits that contribute to the overall value of Utah's airport system. These qualitative benefits include activities for which dollar values cannot be readily assigned, but are nonetheless very valuable to Utahans. These benefits enhance the quality of life, health, welfare, and safety of everyone in the state. Some examples include:

- Emergency medical transport
- Local police and fire support
- Wildfire control operations
- Search-and-rescue
- U.S. military and other government organizations
- Prisoner transport
- Mosquito control
- Traffic reporting
- Weather forecasting
- Statewide agricultural activities
- Supporting statewide hunting and fishing venues
- Entertainment opportunities (e.g., museums, air shows)
- Hosting school field trips and other educational events
- Serving as a staging area for community events

Business Use of Utah's Airports

As a part of this survey, approximately 3,000 Utah businesses were surveyed and asked to indicate their reliance on aviation and aviation services. The responses to this survey indicate the following:

- Over 52,000 employees were represented in respondent business surveys.
- Approximately six percent of the survey respondents indicated that they own, lease, or charter general aviation aircraft to support their business activities.
- Approximately 73 percent of the responding businesses indicated that their employees rely on commercial airline service to conduct business.
- Approximately 25 percent of the responding businesses indicated that they have customers or suppliers who rely on commercial airline service when conducting business with their company.
- Over 78 percent of the survey respondents indicated that they use air cargo/package express for transmitting business materials.
- Overall, the responding companies estimated that approximately 16 percent of their Utah business activities depend on general aviation, and approximately 25 percent of their business activities depend on commercial air service.
- Airports are an important consideration for expanding and/or relocating businesses.



Total Economic Impacts

Employment

Over 106,350

Payroll

\$2.83 billion

Total Output

\$5.68 billion

Conclusions

Nearly \$5.68 billion in annual economic activity is supported by Utah's aviation system. To support this level of economic activity, approximately 106,350 jobs are created in all sectors of Utah's economy, with an annual payroll of over \$2.83 billion. However, the value of Utah's aviation system cannot be measured in monetary terms alone. The state's airports perform many vital functions, from assisting emergency response efforts to supporting agriculture to providing entertainment opportunities. Additionally, most businesses across the state – even those whose employees never board a plane – benefit in some way from their local airport. It is clear: Utah's 47 public-use airports are an integral part of the state's – and the nation's – economy.



For more information, contact:
Utah Department of Transportation
Division of Aeronautics
135 North 2400 West
Salt Lake City, UT 84116



This study was financially sponsored by the following:

The Federal Aviation Administration

Utah Department of Transportation,
Division of Aeronautics

The Utah Air Travel Commission

Prepared by:



www.wilbursmith.com